** NOTICE **

** CDSP Employer Contribution Rate Change Effective January 1, 2014 **

** from $1.00/hr. to $1.50/hr. **

Dear Employer:

In accordance with the 2011 National Bituminous Coal Wage Agreement (“NBCWA” or “Agreement”), beginning with hours worked on or after January 1, 2014, the employer contribution rate will change from $1.00 per hour worked to $1.50 per hour worked. In most cases, you will need to split hours worked for December and January to account for the calendar year end. The current rate/contributions for hours worked in December will end on December 31 and the new rate/contributions for hours worked in January will begin on January 1.

** Categories that will be Affected by the Rate Change  **

** Effective 1/1/2014 **

- New Inexperienced Miners hired between 1/1/07 – 12/31/11 (NIM2007)
  - Will receive Enhanced Premium Contributions (EPC) of $1.50/hr. from 1/1/14 through 12/31/16.

- New Inexperienced Miners hired on or after 1/1/12 (NIM2012)
  - Will receive EPC and Supplemental Pension Contributions (SPC) of $1.50/hr. for each EPC & SPC or a total of $3.00/hr. from 1/1/14 through 12/31/16.

- Any miner with 20 years or more of credited service under the 1974 Pension Plan (20YRSUPP)
  - Will receive SPC of $1.50/hr. from 1/1/14 through 12/31/16.

- Electing Miner (EM) that is a NIM 2007 (NIMEM)
  - Any 1974 Pension Plan participant who was hired between 1/1/07-12/31/11 and who elects to opt-out of the 1974 Pension Plan
  - Will receive EPC and SPC of $1.50/hr. for each EPC & SPC or a total of $3.00/hr. from 1/1/14 through 12/31/16.

- Electing Miner (EM) that is not a NIM2007 and has less than 20 years of credited service (EMLESS20)
  - Any 1974 Pension Plan participant who is not a NIM and elects to opt-out of the 1974 Pension Plan.
  - Will receive SPC of $1.50/hr. from 1/1/14 through 12/31/16.

- Electing Miner (EM) that is not a NIM2007 and has 20 years of credited service (EM20)
  - Any 1974 Pension Plan participant who has 20 years or more of credited service, is not a NIM and elects to opt-out of the 1974 Pension Plan.
  - Will receive SPCs for a total of $3.00/hr. from 1/1/14 through 12/31/16.
Reminder: Items the Rate Change Does Not Affect

- Elective Deferrals
  - Remittances must be submitted to the Cash Deferred Savings Plan (CDSP) within 5 calendar days after the payroll deduction date via the CDSP electronic Website https://cdspserve.umwafunds.org/cdsp4/logon.aspx.
  - Checks must be postmarked within 5 calendar days after the payroll deduction date.
  - Electronic Fund Transfers (EFT) must be transmitted within 5 calendar days after the payroll deduction date.

- New Hire or Termination Submissions
  - Submitted to the CDSP at the same time Elective Deferral submissions are done.

- Deferral Changes
  - Notification retrieval from Prudential Retirement every Monday via Plan sponsor website.

- Credit Hours Submission
  - Submitted to Eligibility Services no later than the 10th day following the month end.
  - All hours (columns 1, 2, 3, 4) continue to be reported including hours for Employees that have Opted-Out (Electing Miners) or have been designated as a 2012 NIM.

Employers are responsible for designating whether a miner meets the requirements as a New Inexperience Miner (NIM).

- Employer Contributions
  - EPC & SPC checks must be postmarked no later than the 10th day following the month end.

  EPC’s & SPC’s calculations are based on reported credit “HOURS 1” (including walk-around time) only.

Beginning each month, we will notify you of your mine workers that have attained 20 years of credited service as a result of the most recent credit hours reported. We will also notify you of your mine workers who opted out of the pension plan in the previous month and therefore should receive employer contributions. This should provide enough time for you to adjust your records to make the appropriate contribution by the due date.
When we receive the bi-weekly elective deferral file that contains your new hires, we will compare your new hires with Funds’ information and communicate the following:

- Whether a miner has 20 years of credited service;
- Whether a miner has completed an electing miner form;
- Whether a miner has been previously designated as a NIM2007 or NIM2012;
- Whether a miner has credited service prior to 1/1/2007.

If you have any questions, please feel free to call or email me.

Sincerely,

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